

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 PA-01 USIA-06

PRS-01 /090 R

DRAFTED BY EB/ORF/FSE:LRRAICHT  
APPROVED BY EB - MR. KATZ, ACTING  
EB/ORF/FSE - SWBOSWORTH  
EUR/SE - BHIRSHORN

----- 004251

R 280056Z DEC 74  
FM SECSTATE WASHDC  
TO AMEMBASSY ANKARA  
INFO AMCONSUL ISTANBUL  
AMEMBASSY LONDON  
USMISSION OECD PARIS

C O N F I D E N T I A L STATE 282992

E.O. 11652: GDS

TAGS:ENRG, TU

SUBJECT:DISPUTE OVER TURKISH PRICE FOR CRUDE OIL IMPORTS

REF: ANKARA 9886 (NOTAL)

1. MOBIL ADVISED DEPARTMENT DECEMBER 19 THAT IT CONSIDER-  
ING TERMINATION OF CRUDE SUPPLY CONTRACT EFFECTIVE JAN. 1,  
1975, DUE TO RECENT DECREE OF GOT SETTING PRICES FOR  
CRUDE OIL IMPORTS, AND REPORTED THAT BP CONSIDERING  
SIMILAR ACTION. MOBIL REPRESENTATIVE EXPRESSED CONCERN  
THAT GOT MIGHT REACT TO TERMINATION NOTICE BY DECLARING  
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"SUPPLY EMERGENCY" AND APPEALING TO IEA FOR RELIEF UNDER

EMERGENCY OIL SHARING PROVISIONS OF INTERNATIONAL ENERGY PROGRAM (IEP). NOTING THAT AGREEMENT WAS NOT MEANT TO COVER SUPPLY SHORTAGES RESULTING FROM COMMERCIAL DISPUTES OVER PRICE, MOBIL REP SUGGESTED USG TAKE MATTER UP WITH GOT TO ENSURE LATTER AWARE THAT OIL SHARING PLAN WOULD NOT APPLY IN THESE CIRCUMSTANCES.

2. IN SUBSEQUENT DISCUSSION WITH UK EMBASSY HERE CONCERNING BP POSITION, WE SAID WE DID NOT BELIEVE WE SHOULD ASSUME GOT WOULD CONTEMPLATE ASKING THAT EMERGENCY PRO-

VISIONS OF IEP BE ACTIVATED IN EVENT OF MOBIL CUTOFF.

IF, AFTER MOBIL NOTIFICATION, GOT SHOULD INDICATE THAT IT PLANS TO APPEAL TO IEA, TURKS COULD THEN BE APPRISED OF OUR VIEW THAT AGREEMENT NOT APPLICABLE TO THEIR SITUATION.

3. ON DECEMBER 23, DEPARTMENT POSITION PARA 2 ABOVE WAS RELAYED TO MOBIL. WE INDICATED OUR VIEW THAT PRICE DISPUTE SHOULD BE RESOLVED BETWEEN COMPANIES AND GOT -- WITH EMBASSY ASSISTANCE AS APPROPRIATE.

4. USG POSITION REPORTED BY UK EMBASSY (REFTEL) THUS ONLY PARTIALLY CORRECT. EMBASSY SHOULD, AS APPROPRIATE, ASSIST MOBIL WITH GOT. WE CONSIDER GOT APPEAL TO IEA UNLIKELY. BUT IF TURKISH AUTHORITIES SHOULD INDICATE THEY CONSIDERING REQUEST TO IEA TO ACTIVATE EMERGENCY PROGRAM, YOU SHOULD EXPLAIN THAT IEP WAS NOT INTENDED TO COVER SUPPLY SHORTAGES RESULTING FROM COMMERCIAL DISPUTES AND THAT WE DO NOT BELIEVE THAT ACTIVATION OF EMERGENCY MEASURES WOULD BE APPROPRIATE IN THIS SITUATION.

5. FYI: IEP AGREEMENT DOES NOT SPECIFICALLY EXCLUDE ACTIVATION OF EMERGENCY ARRANGEMENT IN RESPONSE TO SHORTAGE RESULTING FROM COMMERCIAL DISPUTES BECAUSE IT WAS DESIRED TO RETAIN MAXIMUM FLEXIBILITY. HOWEVER, IT WAS CLEAR INTENT OF ALL COUNTRIES PARTICIPATING IN IEP NEGOTIATIONS THAT SUCH SHORTAGES WOULD NOT REPEAT NOT CONFIDENTIAL

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ACTIVATE THE SCHEME. THE FINDING OF THE IEA SECRETARIAT, REQUIRED AS PART OF THE ACTIVATION PROCESS (ARTICLE 19), MUST INCLUDE INFORMATION ON THE NATURE OF THE REDUCTION IN SUPPLY. END FYI. BROWN

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, PETROLEUM, DISPUTES, PRICES, PRICE CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** LRRRAICHT  
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**Errors:** N/A  
**Film Number:** D740376-0571  
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**Previous Handling Restrictions:** n/a  
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**Review Authority:** MorefiRH  
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**Review Content Flags:**  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ISPUTE OVER TURKISH PRICE FOR CRUDE OIL IMPORTS  
**TAGS:** ENRG, TU, MOBIL OIL CO, BRITISH PETROLEUM CO  
**To:** ANKARA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005